



USDA Foreign Agricultural Service

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Dominican Republic

Grain and Feed

Corn Import Update

2004

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Report Highlights:

Corn production in the Dominican Republic is very limited. The livestock industry depends on imported U.S. corn for almost all needs. Imports for MY 2003 are estimated to be 970,000 metric tons and higher levels are expected for the out year.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Santo Domingo [DR1]
[DR]

Executive Summary

Corn production in the Dominican Republic is very limited and is not expected to change in the near future. Almost all domestic grain requirements for feed for poultry, swine and cattle are imported from the United States. Although imports from the United States were anticipated to exceed one million metric tons in Marketing Year (MY) 2003 (October 2002-September 2003), high prices combined with the deterioration of the Dominican economy reduced total corn imports.

Local production represents less than four percent of total market demand. Marketing year 2003 production, remains at the almost the same level as the year before, at about 37,000 metric tons. The total output demonstrates that no additional acreage was devoted to corn and that yields were not particularly high.

Corn consumption is estimated to decrease in MY 2003, compared to previous estimates, but it remained above the MY 2002 level. The economic crisis has affected the whole country, producers and consumers alike. Some small poultry operations have closed down and others have consolidated with larger producer groups in order to survive hard times.

About 75 percent of the corn supply is consumed by the poultry industry, mainly in broiler and layer production. The other major user of imported corn is the swine sector, which accounts for 22 percent of consumption. Cattle, mostly in the dairy sector, consume the remaining three percent. Consumption in MY 2003 is expected be about 950,000 metric tons, slightly above the year before but over 12 percent lower than previously estimated. It is early to estimate MY 2004, however, the economic situation is more likely to deteriorate than improve, which would lower demand for feed grains further.

Corn and soybean meal are the major ingredients in feed formulations and are exempted from import taxes, in order to lower costs to producers. In conjunction with this measure, the Dominican Government submitted a Tariff Rate Quota rectification proposal to the World Trade Organization, establishing a minimum access level for corn at 703,000 tons increasing to 1,091,000 MT in 2004 at 5 percent duty. The maximum out-of-quota tariff for corn is 74 percent, declining to 40 percent. As a result of the high demand for feed grains and low domestic production, the Dominican Republic is not enforcing quota limitations nor does it anticipate doing so in the future. The recently negotiated US-DR free trade agreement reduces duties to zero and eliminates all import quotas immediately.

STATISTICAL DATA

PSD Table

Country	Dominican Republic						
Commodity	Corn						
					(1000 HA)	(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official	Estimate [10/2002]	IA Official	Estimate [10/2003]	IA Official	Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Area Harvested	30	30	32	30	32	28	(1000 HA)
Beginning Stocks	81	108	25	57	65	55	(1000 MT)
Production	38	38	40	38	40	35	(1000 MT)
TOTAL Mkt. Yr. Imports	906	936	1100	950	1100	975	(1000 MT)
Oct-Sep Imports	906	936	1100	950	1100	975	(1000 MT)
Oct-Sep Import U.S.	905	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	1025	1082	1165	1045	1205	1065	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	1000	1025	1100	990	1150	1000	(1000 MT)
TOTAL Dom. Consumption	1000	1025	1100	990	1150	1000	(1000 MT)
Ending Stocks	25	57	65	55	55	65	(1000 MT)
TOTAL DISTRIBUTION	1025	1082	1165	1045	1205	1065	(1000 MT)